

PP 93-253
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June 16, 1995

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Chairman Reed Hundt
Federal Communications Commission
1919 M Street, NW
Washington, DC

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

RE: Expanded View by Potential Participants in the PCS C-Block Auctions

Dear Chairman Hundt:

In your address on Tuesday June 13, 1995 at Howard University, you asked for all concerned parties in attendance to correspond with you recommending a course of action(s) that the FCC should adopt in regards to conducting the Entrepreneur's Block Auction. In response to the Supreme Court *Adarand* Decision, the FCC announced publicly the postponement of the form 175 filing date.

The National Paging & Personal Communications Association (NPPCA), one of the most visible associations that has worked diligently on behalf of minorities, women and small businesses by sponsoring conferences; forging relationships with manufacturers and RBOCs; incessantly pursuing national and international financiers and investors who could take advantage of the great business opportunity of this century-- investing in designated entities eligible to participate in the FCC C-Block auctions. Over the past two days we have also polled a large portion of our membership and other concerned individuals in reference to your request for the expressed opinion/views by minorities, women and small businesses that could be affected by any different procedural and/or rule changes to the existing auction process.

We report to you our survey findings. (based on 107 phone calls to DEs)

-- 87 % of all DEs polled, want a speedy resumption of the auction process

-- 98.131 % of all DEs polled would agree to a 2-3 week delay in the Short Form Filing Date and the Auction Commencement Date if the rules could be changed via fiat to grant *just* a small business category the same bidding credit and installment payment plan

-- 17 % of all minorities polled, want to hold fast to the present preference option format, with the full understanding of potential legal challenges to this quasi-affirmative action program

-- 100 % of all people polled, feel that if we can't change the rules and conduct the auctions in an expeditious manner (< 30 days) their investor options will be irreparably damaged

-- 79 % of the minorities and women contacted feel they need more time to attract investment capital

-- 89 % of all potential participants will be grossly under-capitalized and face a very real possibility of not participating if the auctions are delayed 60 days or more

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NPPCA Views on FCC Auction

In Summation

The NPPCA also sought the opinion of our Technology Assessment Committee (TAC) and have found that technologically:

CDMA - The technology standard a majority of MTA PCS licensees and potential BTA licensees plan to deploy, will not be available for deployment in the United States until at least the latter part of the fourth quarter of 1996, at the earliest

DCS 1900 - the U.S. PCS equivalent to cellular's GSM technology, will be available by the Fall of 1996 to introduce publicly on a commercial scale.

The NPPCA position has a tri-faceted outlook-- Technologically, Financially and Competitively.

Technologically, a delay has no irreparably adverse effect to the C-Block Licensee, *per se*. There would be infrastructure equipment production schedule concerns, but that can be remedied.

Financially, a short delay (<30 days) actually has many benefits to the potential C-Block participant in terms of *firming up* present investors and/or attracting new investment. A lengthy delay (≥ 60 days) would have dire adverse effects. Remember, investors are bearish.

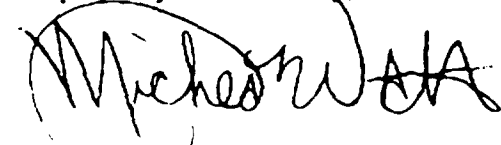
Another lengthy delay *ala TEC*, will fan the fire of investor skittishness and we fear that the scant investor activity that women and minorities have gained will vaporize on the front end of the auction process. Investors will simply wait until after the auctions have concluded and deal with the winners. This circumstance will be detrimental to the number of participants in the auction and have negative impact on revenues raised by the C-Block Auction.

Competitively, another lengthy delay has the real appearance of unfair advantage for the A & B licensees. Aside from capital disadvantages and the head start entering the marketplace (negotiating microwave relocation; publicly marketing services and products, and recruiting professional employees) C-Block Licensees will be facing a tremendous uphill climb to gain marketshare. The value of the spectrum license will be severely impaired.

Chairman Hundt, we hope that this correspondence has been helpful to you and your colleagues at the Commission. We, of course, are always happy and eager to participate in discussions and policy affecting decisions that impact minorities, women and small businesses in the rightful quest to participate in the provision and ownership of the Nation's public airwaves

If we can be of any further assistance, please feel free to call on the NPPCA.

Respectfully submitted by,

A handwritten signature in black ink, appearing to read "Michael Walker", with a stylized flourish at the end.

Michael Walker, Executive Director